RMIS

Department of the Navy Risk Management Information System

FY10 and FY11 Funding Options

Kurt Garbow
Director, Aviation and Operational Safety
Office of the Deputy Asst Secretary of the Navy (Sa
(703) 614-5462 kurt.garbow@navy.mil

DON RMIS

Outline

- Definition
- Requirement
- Current Status
- FY10 and FY11 Funding
  - Mishap Costs
  - Cost Avoidance
  - Options
  - Recommendation

DON RMIS

RMIS is an Information/Knowledge Management System. It is not purely a mishap reporting system.

RMIS:

- **Collects, stores, and organizes safety information and data for analysis and development of "preventive" risk mitigation strategies**
- **Connects, stores, and organizes safety related information for cause and effect discovery**
- **Connects strategic goals and objectives to costs and spending**
- **Provides streamlined unit-level safety program management**
- **Reduces required manpower for safety management**

DON RMIS

Requirement

- SECNAV, CNO, CMC DON-Wide Objective
- 2008 Guidance on the Development of the Force
- DON Safety Vision 2009 and Beyond
- 2009 SECNAV Safety Policy
- Naval Audit Service Reports
  - Sep 2009 – (Draft) DON Reporting of Safety Mishaps (N2009-0055)
  - Aug 2009 - RMIS Acquisition (N2009-0043)
- Overwhelming Fleet Support

DON RMIS

Current Status

- **Resource Sponsor: N-4**
  - **Pending POM-12 Submission**
- **Program Manager: SPAWAR (PMW-150), San Diego**
- **RMIS Contractor: SSC LANT, Norfolk**
- **FY09 Funding: $536K**
  - **$435K - ASN(I&E)**
  - **$97K - HQMC**
- **Completed Requirements Generation Phase**
- **RMIS Initial Capabilities Document (ICD)**
  - **Approved by N-4 and N-81**
  - **Awaiting Review/Approval by NRB**
- **Initial AOA Development begun with FY09 Carryover Funds**
- **Available FY09 carry over funds are depleted.**

DON RMIS

FY05-FY09 Average Annual Mishap Damage and Civilian Injury Lost Day Payroll Costs

Aviation Class A Mishap Damage	**$478.8M**
Afloat Class A Damage	**$44.3M**
GMV & Tactical Vehicle Damage	**$1.1M**
Shore/Installation Damage	**$2.7M**
Civilian Lost Day Payroll Costs	**$12.8M**

Total $540M / Year

Does NOT Include:

- **34 Class A Mishaps for which actual damage costs were not yet available**
- **ANY Class B (>200K but <1M) or Class C (>20K but <200K) Mishap Costs**

DON RMIS

Estimated RMIS Annual Mishap Cost Savings:

Assuming RMIS mishap reductions of:

5%	10%	15%	20%
$27M	$54M	$81M	$108M

Estimated 5-yr Cost for RMIS: $32.5M

DON RMIS

FY10 and FY11 Funding Options:

Option A: Invest in full scale RMIS Development in FY10 and FY11

Option B: Minimum Investment in FY10 and FY11

(Costs in $M)

	FY10	FY11	FY12	FY13	FY14	FYDP
OPTION A:	3.5	7.2	7.4	6.9	7.2	32.5
	△ Nov	▯ Jun				
OPTION B:	0.5	0.6	10.5	10.5	10.4	32.5
	△	▯	Nov	Nov		

△ Milestone C

▯ FOC Full Operational Capability

DON RMIS

Arguments for Accelerating RMIS Funding In FY10 and FY11:

1. **Based on the reduced funding option (Option B), RMIS Full Operational Capability (FOC) would be delayed 2.25 years.**
2. **Assuming RMIS will achieve a very conservative 5% mishap rate reduction, by delaying FOC 2.25 years, DON could lose $60.75M in avoidable mishap costs**
3. **Accelerating RMIS through investment of $3.2M in FY10 and $7.5M in FY11 could result in a savings of $60.75M.**

   A conservative return of investment of 468%

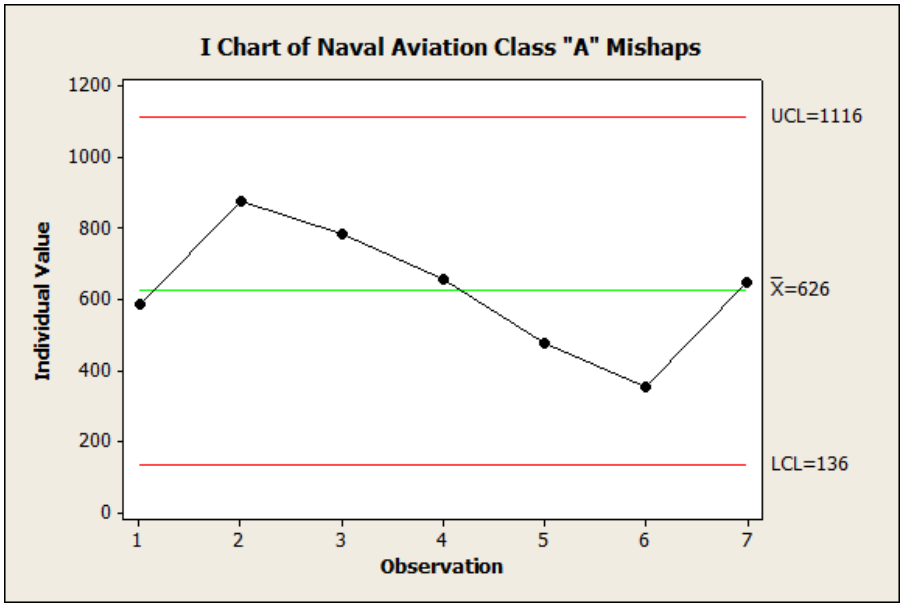
$$ROI = \frac{Potential\ Savings - Investment}{Investment} = \frac{\$60.75M - \$10.7M}{\$10.7M}$$

DON RMIS

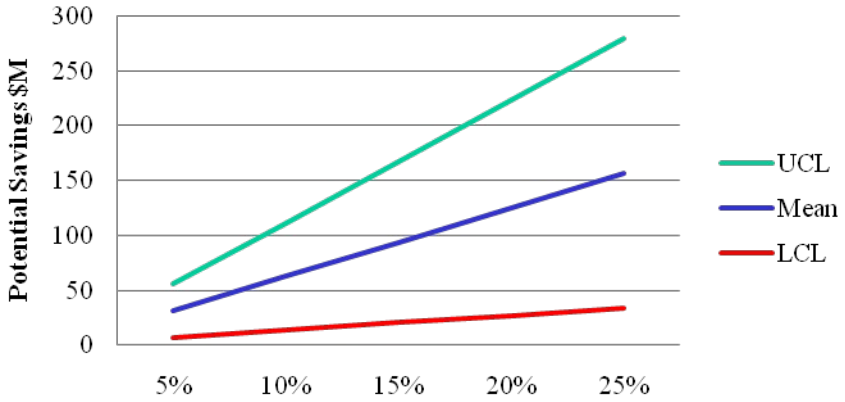
BACK UP SLIDES

Single Factor Savings

7 Years of Naval Aviation Class "A" Mishaps



FY08 **RMIS Savings Spread Aviation Class "A" Mishap**



$ in Millions		5%	10%	15%	20%	25%
UCL	1116	55.8	111.6	167.4	223.2	279
Mean	626	31.3	62.6	93.9	125.2	156.5
LCL	136	6.8	13.6	20.4	27.2	34